

**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
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**Testimony in SUPPORT of SB1237 HD1  
RELATING TO HEALTH.**

REP. SYLVIA LUKE, CHAIR  
HOUSE COMMITTEE ON FINANCE

Hearing Date: March 28, 2019

Room Number: 308

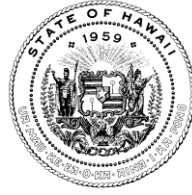
1 **Fiscal Implications:** N/A.

2 **Department Testimony:** The Department of Health supports SB1237 HD1 which authorizes  
3 the State Health Planning and Development Agency to mandate the submission of Medicare  
4 Advantage (Medicare Part C) administrative data and healthcare services claims.

5 The Hawaii Health Data Center collects and stores health care claims data for analysis in support  
6 of health policy. The Department of Health is authorized to request data for beneficiaries of the  
7 Employer Union Trust Fund and Medicaid, the two largest groups of insured individuals in the  
8 State. The addition of Medicare Part C data will augment the State's ability to analyze health  
9 care cost drivers, particularly for older adults, who are generally higher utilizers of health care.  
10 Therefor, the inclusion of Medicare Part C data is likely to improve health care finance policy and  
11 care coordination activities in the State.

12 **Offered Amendments:** N/A.

13



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
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CATHERINE P. AWAKUNI COLÓN  
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JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Finance  
Thursday, March 28, 2019  
2:00 p.m.  
State Capitol, Conference Room 308**

**On the following measure:  
S.B. 1237, S.D. 1, H.D. 1, RELATING TO HEALTH**

Chair Luke and Members of the Committee:

My name is Colin Hayashida, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department supports this bill, which authorizes the State Health Planning and Development Agency to mandate the submission of Medicare Advantage (Medicare Part C) administrative data and healthcare services claims.

The Department supports advancements in improved healthcare data analytics to address healthcare cost drivers in the State. The data from an all-payer claims database with Medicare Advantage (Medicare Part C) data will provide a more complete data set to inform stakeholders of policies affecting our senior population. The data may also yield additional insight on the drivers of health insurance premiums across the life spectrum and lead to health interventions with a positive downstream effect.

Thank you for the opportunity to testify on this bill.



**STATE OF HAWAII**  
**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**

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DEREK M. MIZUNO

**ASSISTANT ADMINISTRATOR**  
DONNA A. TONAKI

**WRITTEN ONLY**

TESTIMONY BY DEREK MIZUNO  
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON SENATE BILL NO. 1237 S.D. 1 H.D. 1

**March 28, 2019**  
**2:00 p.m.**  
**Room 308**

**RELATING TO HEALTH**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The EUTF Board of Trustees (EUTF Board) supports this bill that provides the all-payer claims database (APCD) with Medicare Advantage claims data. The EUTF Board recognizes the APCD as a tool to address rising healthcare costs. The information in the APCD will be used by EUTF to supplement information provided by the EUTF's medical and prescription drug carriers to better understand the cost drivers at an individual level (e.g. the cost trend for different claims over time, the utilization trend for specific claims, the range of costs by provider for specific claims, and cost trend over time for individuals with specific conditions). Such individual level information that the all payer claims database will be able to provide will assist the EUTF in designing plans and developing programs with the insurance carriers to encourage healthy behaviors.

**EUTF's Mission:** We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.

Under the current law, the APCD does not have access to Medicare Advantage plans in Hawaii which creates a significant gap in its dataset as Medicare Advantage participants comprise approximately 45% of the Hawaii Medicare population. Without this information, it is difficult to determine the impact that Medicare Advantage has on the health and utilization patterns of its members in comparison to traditional Medicare Part A, B and D members. This is significant for the EUTF as it contemplates Medicare Advantage plan designs in the future.

Thank you for the opportunity to testify.



# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

DAVID Y. IGE  
GOVERNOR OF HAWAII  
BRUCE S. ANDERSON, PH.D  
DIRECTOR OF HEALTH  
ROMALA SUE RADCLIFFE, B.A., M.A.  
ADMINISTRATOR

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1177 Alakea St. #402, Honolulu HI 96813 Phone: 587-0786 Fax: 587-0783 www.shpda.org

Testimony of **Romala Sue Radcliffe**  
Administrator, State Health Planning and Development Agency

Before  
**House Committee on Finance**  
Thursday, March 28, 2019 at 2:00 p.m., Conference Room 3

**in SUPPORT of**  
**SB1237 SD1**  
**RELATING TO HEALTH**

Representative Sylvia Luke, Chair  
Representative Ty J.K. Cullen, Vice Chair

Thirtieth Legislature Regular Session of 2019

Aloha Chair Luke and Vice Chair Ty J.K. Cullen and Members of the Committees:

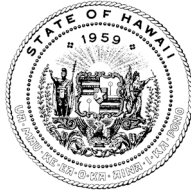
Thank you for this opportunity to testify in **strong support** of the proposed SB 1237 SD1  
Relating to Health.

For the past several years the State Health Planning and Development Agency (SHPDA) has worked closely with the Department of Human Services, the Hawaii Employee-Union Health Benefits Trust Fund, the Department of Commerce and Consumer Affairs' Insurance Division, the Department of Budget and Finance, the Department of the Attorney General, the Office of Enterprise Technology Services, and the University of Hawaii to build and operationalize the Hawaii Health Data Center (HHDC)/All-Payer Claims Database (APCD) to improve our understanding of Hawaii's healthcare costs, population health conditions, and healthcare disparities.

Knowing our healthcare costs is essential to determining ways to reduce future costs. Having complete population data sets is essential to this process. Currently the HHDC/APCD only has access to half of our kupuna's health information through Medicare fee-for-service claims. The HHDC/APCD needs the Medicare Advantage health claims data to complete the kupuna health claims data set. The SB1237 SD1 will assist SHPDA by providing the authority to mandate Medicare Advantage insurance providers to submit administrative data necessary to determine health benefits costs, including healthcare services claims and payment data.

Your favorable consideration of this measure is greatly appreciated.

DAVID Y. IGE  
GOVERNOR



DOUGLAS MURDOCK  
CHIEF INFORMATION  
OFFICER

## OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

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Testimony of  
DOUGLAS MURDOCK  
Chief Information Officer  
Enterprise Technology Services

Before the

HOUSE COMMITTEE ON FINANCE  
Thursday, March 28, 2019

SENATE BILL 1237, SD1, HD1  
RELATING TO HEALTH

Dear Chair Luke, Vice Chair Cullen and members of the committee:

The Office of the Enterprise Technology Services (ETS) supports Senate Bill No. 1237, SD1, HD1, which authorizes the State Health Planning and Development Agency to mandate the submission of Medicare Advantage (Medicare Part C) administrative data and healthcare services claims. This key health care information will help the Hawaii Health Data Center, through its All-payer Claims Database, improve the State's healthcare delivery system, and the overall long-term health and well-being of the State's workforce, retirees, and its Medicaid beneficiaries, with the ultimate goal of reducing overall state-funded healthcare costs.

Thank you for this opportunity to provide testimony on this bill.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Finance  
Thursday, March 28, 2019 at 2:00 p.m.

By

Denise Eby Konan, PhD  
Dean, College of Social Sciences

And

Michael Bruno, PhD  
Interim Vice Chancellor for Academic Affairs and Vice Chancellor for Research  
University of Hawai'i at Mānoa

### SB 1237 SD1 HD1 – RELATING TO HEALTH

Chair Luke, Vice Chair Cullen, and members of the House Committee on Finance:

I am testifying on behalf of the University of Hawai'i at Mānoa and the College of Social Sciences **in strong support** of SB 1237 SD1 HD1. This bill will help to better inform the All-Payer Claims Database (APCD) analysis of the Medicare population. The collection of the Medicare Advantage data will enable the APCD to analyze the complete Hawai'i Medicare population for cost, quality, and population health comparisons. Medicare Advantage enrollment for the State of Hawai'i is increasing, and Medicare Advantage now accounts for nearly half of Hawai'i Medicare enrollees.

In 2016, the legislature amended section 323D-18.5, Hawai'i Revised Statutes, in Act 139, SLH 2016, creating the Hawai'i APCD to compile health insurer enrollment and claims data. This act also designated the Pacific Health Informatics and Data Center (PHIDC) in the College of Social Sciences of the University of Hawai'i at Mānoa as the data center "to receive the data and to conduct analysis to further transparency and understanding of health care and to provide information to consumers." Since that time, PHIDC has continued the collaboration with other members of the Hawai'i Health Data Center APCD Steering Committee in a multi-agency collaboration to bring the APCD to fruition.

The Hawai'i APCD intends to provide reports to inform greater transparency, as well as foster better decision making in health care purchasing and spending, service utilization, population health, and policymaking. The collection of Medicare Advantage data further supports the APCD's goals and statewide interests.

The University of Hawai'i through the PHIDC remains strongly committed to its role as a partner in data management, data analytics, and independent research on this critical initiative to produce and provide reliable data on health services, insured care costs, and public health.



Hawaii Association of Health Plans

March 26, 2019

The Honorable Sylvia Luke, Chair  
The Honorable Ty J.K. Cullen, Vice Chair  
House Committee on Finance

**LATE**

**Senate Bill 1237 SD1 HD1 – Relating to Health**

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Hawaii Association of Health Plans (HAHP) appreciates the opportunity to testify in opposition on SB 1237, SD1, HD1.

We appreciate the intent of this measure to facilitate greater transparency in the health care sector and improve understanding of health care costs; however, we have concerns and offer the following comments. The State Health Planning and Development Agency (SHPDA) is currently able to acquire administrative and health claims data for Medicare parts A, B, and D directly from the Centers for Medicare and Medicaid (CMS). We do not believe that the state health plans are the appropriate entity to collect Medicare Part C data and that SHPDA should be able to collect Medicare Part C data directly from the CMS. Requiring that state plans provide this data to SHPDA in addition to CMS would be highly burdensome and lead to increased administrative costs.

Should this bill move forward, we respectfully request the following language be inserted to Section 2, subsection (2):

“(2) Beginning January 1, 2019, providers of health insurance that provide Medicare advantage, or Medicare part C, health benefits plans to residents of the State shall provide to the state agency, or its designee, administrative data required by the state agency to determine health benefits costs, including health care services claims and payment data, using the same standard format as required by the Centers for Medicare and Medicaid Services.”

Thank you for allowing us to testify expressing concerns on SB 1237, SD1, HD1.

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members